

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1037-01  
Bill No.: HB 192  
Subject: Health Care; Hospitals; Insurance, Medical; Insurance Dept.  
Type: Original  
Date: January 27, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Insurance Dedicated	\$8,000	\$0	\$0
Other Funds	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Federal Funds	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Department of Social Services** and **Missouri Department of Conservation** assume the proposal will not fiscally impact their organizations.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to the Department of Transportation for response regarding the fiscal impact of this proposal on the MHP.

Officials from the **Department of Transportation** state the proposal will have no fiscal impact on the Missouri Highway and Transportation Commission. The Highway & Patrol Medical Plan does not fall within the definitions of health insurer or health benefit plan, but section 104.801, RSMo 2000, would require the Medical Plan to provide similar coverage. The language removed by this proposal does not mandate any additional benefit coverage. Therefore, there will be no fiscal impact on the Highway & Patrol Medical Plan.

Officials from the **Department of Insurance (INS)** state the INS estimates 160 insurers and HMOs would submit amendments to their policies as a result of this proposal. Policy amendments must be ASSUMPTION (continued)

submitted to the INS for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$8,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form amendments and review, the INS will need to request additional staff to handle the increase in the workload.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state many insurers believe that requiring the medical plan to cover clinical trials for cancer and other life threatening conditions could result in an increase in the plan's financial risk. Since the treatments may vary and only a few providers would be able to administer the treatments, the cost has the potential to become significant. To reduce this risk, the plan may transfer these additional costs to the members through an increase of premium.

The proposal does include an exclusion for "items and services customarily provided by the research sponsors free of charge for any enrollee in the trial". However, if health plans are required to cover the routine patient care costs "incurred for drugs and devices" that have been approved by the FDA, the sponsors of such programs may cut the funding to these programs and rely on the health plans' reimbursement for funding. Again, should this occur, the plans may transfer the additional costs to the members through increased premiums.

HCP can not determine the fiscal impact of this proposal at the present time and assumes it would have an unknown fiscal impact to the state.

**This proposal will result in an increase in Total State Revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>GENERAL REVENUE</b>			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
Increase in contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006

## INSURANCE DEDICATED FUND

### Income - Department of Insurance

Form filing fees	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
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### **ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND**

<u><b>\$8,000</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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## OTHER FUNDS

### Costs - Missouri Consolidated Health Care Plan

Increase in contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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### **ESTIMATED NET EFFECT ON OTHER FUNDS**

<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
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## FEDERAL FUNDS

### Costs - Missouri Consolidated Health Care Plan

Increase in contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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### **ESTIMATED NET EFFECT ON FEDERAL FUNDS**

<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
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### FISCAL IMPACT - Local Government

FY 2004 (10 Mo.)	FY 2005	FY 2006
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## ALL POLITICAL SUBDIVISIONS

### Costs - All Political Subdivisions

Increase in contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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### **ESTIMATED NET EFFECT ON ALL POLITICAL SUBDIVISIONS**

<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
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### FISCAL IMPACT - Small Business

The proposal could result in an increase in small business insurance premium costs.

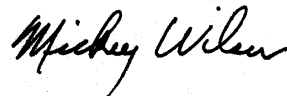
## DESCRIPTION

Current law requires insurers to provide coverage to cancer patients for drugs and devices used in clinical trials, even if those drugs and devices have not been approved by the U. S. Food and Drug Administration (FDA) for use in treating the patient's particular condition. This proposal limits the mandated coverage to drugs and devices that the FDA has approved for the patient's particular condition.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Department of Transportation  
Department of Social Services  
Department of Public Safety -  
    Missouri Highway Patrol  
Department of Insurance  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation



Mickey Wilson, CPA  
Director  
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